

Title: Rhode Island Exchange Establishment Two
Applicant: Office of the Health Insurance Commissioner
Program: Cooperative Agreements to Support Establishment of State-Operated Health Insurance Exchanges (CFDA 93.525)
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Congressional Districts: RI-all
Category of Funding: Level Two Establishment
Projected Dates of Project: December 2011 – December 2014

Executive Order 11-09, signed by Governor Lincoln Chafee on September 19, 2011, created the structure and governance for the Rhode Island Health Benefits Exchange (Exchange). The Exchange will provide a robust marketplace for all Rhode Islanders to identify health insurance coverage options and, for those eligible, to purchase coverage. Rhode Island's Exchange will support Medicaid eligible individuals, subsidized individuals, individuals purchasing without any subsidy, small employers and employees of large employers.

Achieving this vision requires an aggressive, carefully orchestrated change initiative encompassing: the business policy and processes across multiple state agencies; the people, roles, and organizational structures within these agencies; and the technology solutions that support them. Rhode Island (RI) has made significant progress in all of these areas, leveraging funds from the Exchange Planning Grant and the Establishment One Agreement within a carefully designed interagency structure that allows for extensive cross-agency cooperation and stakeholder input.

Implementation work funded by this agreement will be performed between December 2011 and December 2014, and will continue and complete this change initiative through the following seven projects. Projects one through four will allow RI to continue and expand the work already underway through our Establishment One agreement, and projects five through seven provide critical new capacities under this Establishment Two agreement:

Project 1: Operations, IT Infrastructure: Design, develop, and implement the technical infrastructure required by the Exchange, including the exchange portal, a business to business gateway, an eligibility rules engine, audit systems, and security systems.

Project 2: Consumer Support: Establish the necessary processes and organizational structures to support RI's vision. RI is committed to establishing an integrated consumer support structure that leverages existing state capacities wherever possible and appropriate to best serve Rhode Islanders.

Project 3: Reporting and Evaluation: Develop the capacity to carry out both reporting requirements and program evaluation/data analysis, by establishing critical data collection processes, resources, and IT infrastructure and systems.

Project 4: Governance and Staffing: Establish a core Exchange management team, create a formal operating charter, and enable critical supporting procurements to achieve RI's vision.

Project 5: Health Plan Certification and Qualification: Design and implement a qualified health plan strategy and approach that is consistent with federal regulations and guidance, reflective of the policy goals of the Exchange, and consistent with current best practice in the state and national insurance market.

Project 6: Financial Sustainability: Continuously refine RI's sustainability analysis based on ongoing refinements to anticipated take-up and revenue assumptions, business model, operational design and technical architecture. RI's small size requires a diligent focus on financial sustainability.

Project 7: Oversight and Financial Integrity: Develop and implement an oversight program that is consistent with federal regulations and guidelines.

These seven projects will be implemented as a single, integrated initiative, led jointly by Medicaid and Exchange leadership, and will leverage the New England States Consortium Insurance Exchange Systems (NESCIES) collaborative where appropriate and feasible. Together these projects will allow RI to build a robust fully functioning Exchange, one that will provide health insurance to those who cannot access or afford it now and will make evaluating and purchasing health insurance a simple process for all individuals and small businesses in RI. Our total federal request for this initiative is \$74.5 million, which includes \$28.9 Million for the seven major projects above, plus \$45.6 million to implement technology components, which will be reviewed and refined through the CMS/CCIIO gate review process.